



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-041]

Truck and Bus Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Rescission of Review, in Part; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of truck and bus tires from the People's Republic of China (China). The period of review (POR) is February 15, 2019, through December 31, 2019. In addition, we are rescinding the review with respect to several companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Dusten Hom or Theodore Pearson, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-5075 or 202-482-2631, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 15, 2019, Commerce published in the *Federal Register* the countervailing duty (CVD) order on truck and bus tires from the China.¹ On April 8, 2020, Commerce published in the *Federal Register* an initiation notice for an administrative review of the Order on 46 producers/exporters for the POR.² For events that occurred since the *Initiation Notice*, see

¹ See *Truck and Bus Tires from the People's Republic of China: Amended Final Determination and Countervailing Duty Order*, 84 FR 4434 (February 15, 2019) (the Order).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 19730 (April 8, 2020).

the Preliminary Decision Memorandum.³ On June 17, 2021, the President signed into law the Juneteenth National Independence Day Act, making June 19 a Federal holiday.⁴ Because the Federal holiday fell on a Saturday, it was observed on Friday, June 18, 2021. Where a deadline falls on a weekend or Federal holiday, the appropriate deadline is the next business day.⁵ Accordingly, the deadline for these preliminary results is on June 21, 2021.

Scope of the *Order*

The products covered by the *Order* are truck and bus tires from China. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. On April 14, 2020, Sailun⁶ withdrew its request for review of Sailun Group Co., Ltd.; Sailun (Shenyang) Tire Co., Ltd.; Sailun Group (Hong Kong) Co., Limited (previously known as Sailun Jinyu Group (Hong Kong) Co., Limited) and requested Commerce rescind the administrative review with respect to these companies. In the Respondent Selection Memorandum,⁷ we stated our intent to rescind the review of these Sailun companies because the withdrawal of review was timely filed and no other party requested a review of these companies. Therefore, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect to Sailun companies noted above.

Methodology

³ See Memorandum, “Decision Memorandum for the Preliminary Results of 2019 Countervailing Duty Administrative Review: Truck and Bus Tires from the People’s Republic of China and Rescission of Administrative Review, in Part,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ See Juneteenth National Independence Day Act, S. 475, Pub. L. No. 117-17 (2021).

⁵ See *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

⁶ Sailun Group Co., Ltd.; Sailun (Shenyang) Tire Co., Ltd.; Sailun Group (Hong Kong) Co., Limited (previously known as Sailun Jinyu Group (Hong Kong) Co., Limited) (collectively, Sailun).

⁷ See Memorandum, “Countervailing Duty Administrative Review of Truck and Bus Tires from the People’s Republic of China: Respondent Selection,” dated June 30, 2020 (Respondent Selection Memorandum).

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice.

Preliminary Rate for Non-Selected Companies Under Review

There are 41 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these companies, because the rates calculated for the mandatory respondents, Qingdao Ge Rui Da Rubber Co., Ltd. (GRT) and Prinx Chengshan (Shandong) Tire Co., Ltd. (PCT), were above *de minimis* and not based entirely on facts available, we are applying to the non-selected companies the average of the net subsidy rates calculated for GRT and PCT, which we calculated using the publicly ranged sales data submitted by GRT and PCT.⁹ This

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company’s publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most

methodology to establish the all-others subsidy rate is consistent with our practice and section 705(c)(5)(A) of the Act. For further information on the calculation of the non-selected respondent rate, refer to the section in the Preliminary Decision Memorandum entitled “Non-Selected Companies Under Review.” For a list of non-selected companies, *see* Appendix II.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a countervailable subsidy rate for each of the mandatory respondents, GRT and PCT, which includes their cross-owned affiliates, where applicable.

We preliminarily find the countervailable subsidy rates for the mandatory and non-selected respondents under review to be as follows:

Producer/Exporter	Subsidy Rate (percent)
Prinx Chengshan (Shandong) Tire Co., Ltd. ¹⁰	17.04
Qingdao Ge Rui Da Rubber Co., Ltd. ¹¹	16.62
Review-Specific Average Rate Applicable to the Following Companies	
Other Respondents ¹²	16.76

Disclosure and Public Comment

We intend to disclose to interested parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.¹³ Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to

appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

¹⁰ Cross-owned affiliates are Chengshan Group Co., Ltd., Shanghai Chengzhan Information and Technology Center, Prinx Chengshan (Qingdao) Industrial Research & Design Co., Ltd., and Shandong Prinx Chengshan Tire Technology Research Co., Ltd.

¹¹ Cross-owned affiliates are Cooper Tire (China) Investment Co. Ltd., Cooper (Kunshan) Tire Co., Ltd., and Qingdao Yiyuan Investment Co., Ltd.

¹² *See* Appendix II.

¹³ *See* 19 CFR 351.309(c).

comments raised in the case briefs.¹⁴ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁵

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. For the companies for which this review is rescinded,

¹⁴ See 19 CFR 351.309(d).

¹⁵ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period February 15, 2019, through December 31, 2019, in accordance with 19 CFR 351.212(c)(1)(i). For the companies remaining in the review, Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, CBP will continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: June 21, 2021.

James Maeder,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Non-Selected Companies Under Review
- V. Diversification of China's Economy
- VI. Partial Rescission of the Administrative Review
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Subsidies Valuation
- IX. Interest Rate Benchmarks, Discount Rates, Inputs, Electricity, and Land Benchmarks
- X. Analysis of Programs
- XI. Recommendation

Appendix II

List of Companies Not Individually Examined

1. Aeolus Tyre Co., Ltd.
 2. Chaoyang Long March Tyre Co., Ltd.
 3. Doublestar International Trading (Hongkong) Co., Limited
 4. Giti Radial Tire (Anhui) Company
 5. Giti Tire (Fujian) Company Ltd.
 6. Giti Tire Global Trading Pte Ltd.
 7. Guangrao Kaichi Trading Co., Ltd.
 8. Guizhou Tyre Co., Ltd.
 9. Guizhou Tyre Import and Export Co., Ltd.
 10. Hefei Wanli Tire Co., Ltd.
 11. Hongtyre Group Co.
 12. Jiangsu General Science Technology Co., Ltd.
 13. Koryo International Industrial Limited
 14. Maxon Int'l Co., Limited
 15. Megalith Industrial Group Co., Limited
 16. Qingdao Awesome International Trade Co., Ltd
 17. Qingdao Doublestar Overseas Trading Co., Ltd.
 18. Qingdao Doublestar Tire Industrial Co., Ltd.
 19. Qingdao Fullrun Tyre Corp. Ltd
 20. Qingdao Jinhaoyang International Co., Ltd.
 21. Qingdao Keter International Co., Limited
 22. Qingdao Lakesea Tyre Co., Ltd
 23. Qingdao Powerich Tyre Co., Ltd.
 24. Qingdao Shinego Tire Tech Co., Limited (also known as Qingdao Shinego Tyre Tech Co., Ltd.)
 25. Qingdao Sunfulcess Tyre Co., Ltd.
 26. Shandong Hablead Rubber Co., Ltd.
 27. Shandong Haohua Tire Co., Ltd.
 28. Shandong Huasheng Rubber Co., Ltd
 29. Shandong Hugerubber Co., Ltd.
 30. Shandong Kaixuan Rubber Co., Ltd
 31. Shandong Province Sanli Tire Manufactured Co., Ltd
 32. Shandong Qilun Rubber Co., Ltd.
 33. Shandong Transtone Tyre Co., Ltd
 34. Shandong Wanda Boto Tyre Co., Ltd.
 35. Shandong Yongsheng Rubber Group Co., Ltd.
 36. Shanghai Huayi Group Corporation Limited
 37. Shengtai Tyre Co., Ltd.
 38. Sichuan Kalevei Technology Co., Ltd.
 39. Tongli Tyre Co., Ltd.
 40. Triangle Tyre Co., Ltd.
 41. Weifang Shunfuchang Rubber and Plastic Products Co., Ltd.
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